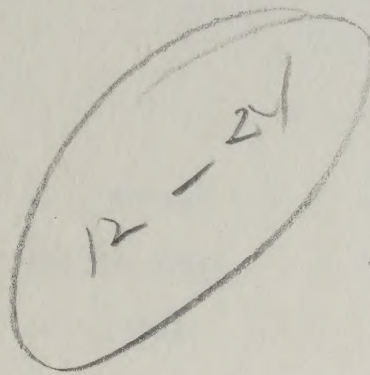


AR19

12,500 shares - at one time
12,500 shares



10,000

15,000 shares - 3

10,000 + 1 share

low 250

12,500


share 250

NIPIRON

mines limited

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 1964





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NIPIRON MINES LIMITED

OFFICERS

J. L. JOWSEY - - - - - President
DR. J. H. STILES - - - - - Vice-President
H. T. HURLEY - - - - - Secretary-Treasurer

DIRECTORS

J. L. JOWSEY DR. J. H. STILES
H. T. HURLEY R. J. JOWSEY
C. W. ARCHIBALD

HEAD OFFICE

324 - 12 Richmond St. East, Toronto

TRANSFER AGENTS AND REGISTRARS

CROWN TRUST COMPANY
302 Bay St., Toronto

AUDITORS

GUNN, ROBERTS AND CO.
Toronto

CAPITAL

Authorized, 5,000,000 shares
of \$1.00 Par Value.
Issued, 2,100,005 shares

ANNUAL MEETING

Hunting Room,
King Edward Hotel, Toronto 1, Canada
April 14th, 1965, 10 A.M. (Toronto time)

NIPIRON MINES LIMITED

TO THE SHAREHOLDERS:

Enclosed is our Annual Report together with audited financial statements covering the year ended December 31, 1964.

MINING EXPLORATION ACTIVITIES

Your Company holds a group of 36 mining claims located in Ossian Township, Larder Lake Mining Division, near the Quebec border north of Cheminis. Our claim group is to the west of the properties of North Bordulac Mines which has, of recent years, carried out a diamond drilling program designed to extend the known gold zone which had been developed underground. North Bordulac is giving consideration to the deepening of its shaft and your Company will watch these activities which will be of assistance to us in further evaluating our own claims.

We also have two groups of 18 and 20 claims respectively tying on to the east and west of the Shunsby Mines property in Cunningham Township, Sudbury Mining Division. As our Shareholders are aware, Nipiron is a large stockholder in the Shunsby Company, owning 903,900 of its shares. The Shunsby property itself is an intriguing copper-zinc prospect on which further geophysical work and diamond drilling were carried out this past year. Several anomalies were tested and while no material of ore grade was encountered, each hole cut well mineralized material. In particular, Shunsby's prior diamond drill hole No. 82, the most westerly one drilled to date, was deepened and two mineralized sections returning good copper assays were encountered between 800 and 900 feet. We understand that additional geophysical work and diamond drilling is planned for this coming summer on the Shunsby property. Again, as in the case of our Ossian Township claims, we will watch and review the Shunsby developments closely for any information which they may shed on our own two claim groups.

We own 48 claims in Fripp Township some 21 miles southwest of Timmins in an area

which has been solidly staked by other operators. A great deal of work is in progress in the district and a geophysical survey is presently being carried out on our property. If the results obtained from this survey are encouraging a diamond drilling contract will be let.

During the past year a number of prospects were brought to our attention. Several were examined in the field but results did not, in our opinion, warrant further work.

INVESTMENTS

In this Report is a list of our securities held at year end. Since that time our Denison holdings have been enlarged to 25,000 shares and our bank loan increased. Over the years your present management has followed a practice of employing a part of our working capital to invest in other mining companies. As regards our investment in companies like R. J. Jowsey Mining Company Limited this policy enables us to thus diversify our own explorational activities as a shareholder or part owner of these companies; in the case of Denison Mines Limited we not only receive a return on our investment in the form of dividends, but our investment in this company has resulted in substantial capital appreciations for Nipiron.

AEROFALLS MILLS LIMITED

Some years ago your Company purchased 49,394 shares of Aerofall Mills Limited at a price of \$2.00 per share thus acquiring some 8.5% of its outstanding share capital. About two years ago Aerofall installed 6 large mills at the Carroll Lake Project in Quebec of the Iron Ore Company of Canada and we understand that these mills have been operating most satisfactorily. Recently an announcement was made of a contract negotiated between Aerofall and the Hanna Mining Company of Cleveland calling for the installation of 11 large mills at a contract price in excess of \$10,000,000. This transaction was reported upon in the March 11th issue of The Northern Miner, and for the information of our Stockholders we obtained copies of this article which we are enclosing. Your Directors place considerable importance on this invest-

ment which was made in the shares of Aerofall Mills, and we feel that these shares will become an increasingly important part of our investment account in the years to come.

ANNUAL GENERAL MEETING

As our Shareholders are aware an "undisclosed Canadian Principal" through Montreal Trust Company has made an offer to purchase 500,000 shares of Nipiron at 30¢ per share. On March 16th, 1965, your Company issued a letter to Shareholders in an endeavour to provide them with information concerning the status of your Company. Immediately after the issuance of that letter the preparation and printing of this Annual Report was begun in order that it might be in our Shareholders' hands at the earliest possible moment. As at the time of preparing this Annual Report for our Shareholders we still have no indication as to the identity of the "undisclosed Canadian Principal". Since a previous offer was made by an "undisclosed Canadian Principal" to your management to purchase their shares and at the same time to take over control of your Board of Directors, we can only conclude that the "undisclosed Canadian Principal" referred to in the letter of Montreal Trust Company plans to try to take over control of your Board of Directors at the forthcoming Annual General Meeting of Shareholders. Your present Directors feel it their duty to oppose any such move on the part of the "undisclosed Canadian Principal" and accordingly request your support at the forthcoming Annual Meeting to be held in Toronto on April 14th, 1965.

We hope to see you at this Meeting, but realize that many of our Stockholders cannot attend. If you are unable to be present would you please sign the enclosed Proxy form and mail it in the enclosed addressed and stamped envelope. Your co-operation in doing this **immediately** is greatly appreciated.

Respectfully submitted,

On Behalf of the Board,

Toronto, Ontario,
March 23rd, 1965.

J. L. JOWSEY

NIPIRON M

(Incorporated under the

BALANCE SHEET

ASSETS

CURRENT ASSETS

Cash	\$	500.84	
Accounts receivable		1,000.00	\$ 1,500.84

SHARES IN OTHER COMPANIES, see schedule:

Listed mining shares at cost (quoted market value \$449,237)		188,835.83	
Other mining shares at cost, less amounts written off		61,806.16	
Other shares at cost		98,788.00	
		<u>349,429.99</u>	
Less allowance for decline in value		75,000.00	274,429.99

DEBENTURES

6% Mattagami Lake Mines Limited, at cost (quoted market value \$1,110)			780.00
--	--	--	--------

MINING CLAIMS

Unpatented mining claims at nominal value			1.00
---	--	--	------

OTHER ASSETS AND DEFERRED CHARGES

Prospecting equipment		1,795.08	
Office furniture and fixtures		1,488.16	
Prepaid expenses		305.00	
Exploration expenditures deferred		<u>9,535.75</u>	13,123.99
			<u>\$289,835.82</u>

AUDI

To the Shareholders of
Nipiron Mines Limited:

We have examined the balance sheet of Nipiron Mines Limited as at December 31, 1964 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles.

In our opinion the accompanying balance sheet and statements of income, exploration and the results of its operations for the year then ended, in accordance with generally accepted accounting principles, present a true and fair view of the financial position of the company as at December 31, 1964, and of its operations for the year then ended, in accordance with generally accepted accounting principles.

Toronto, Canada,
February 4, 1965.

ES LIMITED

(the Province of Ontario)

December 31, 1964

LIABILITIES

CURRENT LIABILITIES

Bank loan (secured)	\$ 31,000.00	
Accounts payable	34.23	\$ 31,034.23

SHAREHOLDERS' EQUITY

Capital stock

Authorized — 5,000,000 shares of \$1 each

Issued — 2,100,005 shares 2,100,005.00

Less discount on shares 1,669,500.00

	430,505.00	
Deduct deficit	171,703.41	258,801.59

Approved on behalf of the Board:

J. L. JOWSEY, Director.

H. T. HURLEY, Director.

\$289,835.82

PORT

Statements of income, exploration expenditures deferred and deficit for the year then ended. Our
and other supporting evidence as we considered necessary in the circumstances.

s deferred and deficit present fairly the financial position of the company as at December 31, 1964
principles applied on a basis consistent with that of the preceding year.

GUNN, ROBERTS AND CO.,
Chartered Accountants.

NIPIRON MINES LIMITED

STATEMENT OF INCOME

For the year ended December 31, 1964

Dividends received				\$15,070.00
General Exploration Expenditures				
Engineering salary	\$5,000.00			
Grubstakes	1,101.52			
Miscellaneous	210.34	\$ 6,311.86		
Administrative and General Expenses				
Administrative salary	6,000.00			
Secretarial services and office salaries	3,150.00			
Office and corporate expenses	1,446.79			
Rent	1,104.76			
Transfer agent's fees	396.71			
Telephone and telegraph	434.07			
Audit fees	345.00			
Directors' fees	125.00			
Interest expense	3,227.77	16,230.10	22,541.96	
Loss for the year				\$ 7,471.96

NIPIRON MINES LIMITED

STATEMENT OF EXPLORATION EXPENDITURES DEFERRED

For the year ended December 31, 1964

Larder Lake area, Ontario		
Staking and recording	\$ 225.00	
Surface exploration	50.00	\$ 275.00
		<hr/>
Sudbury area, Ontario		
Staking and recording	619.00	
Surface exploration	287.10	906.10
		<hr/>
Porcupine area, Ontario		
Staking and recording	3,278.50	
Surface exploration	4,591.15	7,869.65
		<hr/>
Expenditures for the year		9,050.75
		<hr/>
Balance January 1, 1964		
Exploration expenditures deferred	557.48	
Larder Lake area, staking and recording claims	485.00	1,042.48
		<hr/>
		10,093.23
Deduct amounts written off to deficit		557.48
		<hr/>
Balance deferred at December 31, 1964		\$ 9,535.75
		<hr/>

STATEMENT OF DEFICIT

For the year ended December 31, 1964

Balance January 1, 1964			\$310,819.33
Add			
Loss for the year	\$ 7,471.96		
Amounts written off on abandonment of mining claims, Thunder Bay area, Ontario:			
Cost of claims	\$ 240.00		
Exploration expenditures	557.48	797.48	8,269.44
		<hr/>	<hr/>
			319,088.77
Deduct			
Profit on sale of securities	72,385.36		
Allowance for decline in value of shares no longer required	75,000.00		147,385.36
		<hr/>	<hr/>
Balance December 31, 1964			\$171,703.41
			<hr/>

NIPIRON MINES LIMITED

SHARES IN OTHER COMPANIES

December 31, 1964

LISTED MINING SHARES

		Quoted Market Value
52,500	Atlin-Ruffner Mines (B.C.) Limited	\$ 3,412
15,000	Denison Mines Limited	322,500
188,000	R. J. Jowsey Mining Company Limited	112,800
200	Mattagami Lake Mines Limited	4,125
80,000	South Dufault Mines Limited	6,400
		<u>\$ 449,237</u>

OTHER MINING SHARES

19,290	Blind River Uranium Mines Limited (including 14,950 shares in escrow)
67,500	Duncan Range Iron Mines Limited (including 60,750 shares in escrow)
10,000	Grasset Lake Mines Limited
20,000	Here Fault Copper Limited
7,848	Lyndhurst Mining Company Limited (in escrow)
39,861	Nickel Valley Copper Mines Limited
903,900	Shunsby Mines Limited
49,990	Twin Mountain Uranium Mines Limited (in escrow)

OTHER SHARES

49,394	Aerofall Mills Limited
--------	------------------------

25,000
40

25,040

Campbell
no vacancy —

Smith 260,000
Dunn 90,000
other bank 30,000
880,000

not possible to deal due

declared adjourn — left stage & sat down

Campbell direct remain in office
until next meeting. This is proper
conduct — direction not in office

unassociated
with KBM

"regulation have remedied by
appropriate legislation"

Jowsey & Macdonald valid are
Campbell group said no motion made
Did not recognize meeting adj
said new chairman

Motion for adjourn never put to vote. Chairman can
decide. Move under by-laws, can appoint chairman
Smith